

# **GSA HISTORIC BUILDING LEASING**

**HISTORIC BUILDINGS AND THE ARTS  
CENTER OF EXPERTISE**

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# **GSA HISTORIC BUILDING LEASING**

## **1. EXECUTIVE SUMMARY**

In response to concern about the effect of the 10% (historic building) price preference on GSA's competitive leasing position, the Historic Buildings and the Arts Center of Expertise has undertaken this study to determine the extent to which GSA leases space in historic buildings and the influence of the preference on lease awards. The study also investigates tradeoffs of the preference policy, obstacles to leasing historic buildings, and strategies for increasing GSA leasing of historic buildings.

It is impossible to precisely quantify the number of historic buildings GSA leases or when the 10% price preference has been applied until we change our STAR tracking procedures. Establishing construction dates, historic building designation, and price preference use as required STAR data entry fields will enable GSA to more accurately measure its success in meeting the objectives of the National Historic Preservation Act and Executive Order 13006. This study relied on extensive interviews with GSA leasing specialists and other knowledgeable staff to estimate the impact of the preference and identify factors that help and hinder GSA's efforts to lease space in historic buildings

As anticipated, the price preference has not had a major impact on GSA lease procurements. Sixty-eight PBS employees involved in lease acquisition (all 11 GSA regions represented) were able to identify only 50 historic buildings in a nationwide inventory of 6110 leased buildings. These 50 known historic leased buildings, less than 1% of the buildings we lease nationwide, account for about 1.3% of GSA's leased space. Ten historic buildings, or 20% of the known historic building leases, benefited from the preference.

Nevertheless, as small a proportion of our leased inventory historic buildings may represent, these case histories indicate that historic building leases—however few— can have a major impact on the viability of important community landmarks and the central business areas in which they are located. In fact, since the lease preference apparently tends to benefit smaller, less expensive buildings, it doesn't cost GSA and its clients much. Rents for historic building leases awarded as a result of the preference are within the average rent range for GSA leased buildings nationwide.

More significant, in terms of lease space and cost, are legislative actions such as those that resulted in lease redevelopments of the Tacoma Union Station in Washington State and the Stegmaier building in Wilkes-Barre, PA. These two leases account for nearly 11% of our known leased space in historic buildings, leasing at \$30/s.f. and \$22/s.f., respectively. The ten historic building leases awarded as a result of the preference account for only 6-7% of our known leased space in historic buildings, at rent rates averaging \$17/s.f., comparable to GSA leased building rents nationwide.

Notwithstanding the value of the preference to some historic buildings, the study underscores the need for new strategies that rely less on financial incentives than the

removal of barriers to leasing space in historic buildings. Section 5, *Recommendations*, outlines solutions to technical obstacles that prevent historic buildings from meeting lease requirements. Aggressive community outreach has proven an effective strategy for generating creative reuse alternatives and keeping Federal agencies in central business areas.

Above all, GSA must convince its realty specialists and tenant agencies to embrace preservation and urban development goals. The Center for Urban Development and Livability's *Planning with Communities* program is already making a difference by showing how GSA's real estate actions can bolster local economies and create vibrant communities that are appealing places to work. Finally, Public Building Service executives and middle management, especially within regional Portfolio Management and Property Acquisition and Realty Services, must express in compelling terms the agency's continuing commitment to preservation and support of urban communities.

**TABLE 1. SUMMARY OF RESULTS BY REGION**

Region	Known historic building leases	Used 10% preference?	
		<i>Yes</i>	<i>No</i>
<b>1</b>	0	-	-
<b>2</b>	1	1	-
<b>3</b>	18	-	18
<b>4</b>	7	-	7
<b>5</b>	4	1	3
<b>6</b>	6	-	6
<b>7</b>	0	-	-
<b>8</b>	8	8	-
<b>9</b>	1	-	1
<b>10</b>	5	-	5
<b>11</b>	0	-	-
<b>Totals</b>	<b>50</b>	<b>10</b>	<b>40</b>

## 2. BACKGROUND

The National Historic Preservation Act of 1966 calls upon Federal agencies to use historic buildings to the greatest extent possible<sup>1</sup>. To that end, GSA gives capital investment priority to historic buildings in its government owned inventory, develops

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The Act is reinforced by Executive Order 12072, which calls on agencies to locate within central business areas, and Executive Order 13006, which promotes agency location in historic buildings and historic districts.

strategies to keep Federal historic properties occupied and viable, and gives preference to historic buildings when GSA leases space in privately owned buildings.

In 1984, GSA initiated its 10% price preference program<sup>2</sup> to help historic buildings compete for GSA leases. The program permits GSA to pay up to ten percent more per square foot than the lowest otherwise acceptable offer for leases in historic buildings (Appendix A).

The National Performance Review's drive to balance the Federal budget focused GSA on improving the cost effectiveness of providing and maintaining Federal workspace. *Can't Beat GSA Leasing*, initiated in 1996, delegates to GSA's tenant agencies authority to procure their own leases. This competitive leasing environment demands that GSA realistically assess the benefits and costs of any lease surcharges that could undermine its competitive position as a service provider.

In 1999, GSA's Historic Buildings and the Arts Center of Expertise, in coordination with the Center for Urban Development and Livability, initiated research to examine the merits, tradeoffs, and limitations of the 10% price preference. The study investigated GSA leasing practices nationwide to determine the extent to which GSA leases space in historic buildings and the influence of the price preference on lease awards. Factors that prevent historic buildings from being leased and obstacles that have been overcome in order to award historic building leases were also addressed.

These findings are intended to guide PBS in assessing:

- The effect of the preference on GSA's competitive leasing stance
- The effect of the preference in promoting historic building leasing
- Types of historic properties most likely to benefit from the preference
- Strategies for increasing GSA leasing of historic buildings

### **3. RESEARCH METHOD**

This study initially focussed on leasing practices in three major cities, Philadelphia (Region 3), Chicago (Region 5) and San Francisco (Region 9). A set of standard questions on leasing practices (Appendix B) was emailed to Regional Historic Preservation Officers, Property Acquisition and Realty Services Directors, and Leasing Specialists. When it was determined that the number of historic building leases in Chicago and San Francisco were far too small to provide a representative picture of GSA's nationwide leasing practices, the project scope was broadened to include all regions.

The study relied on systematic gathering of anecdotal data from regional realty specialists and other knowledgeable individuals because our automated database, STAR, is not designed to retrieve statistics of this nature. Construction dates and National Register status are not required fields in STAR, so it is impossible to determine precisely the

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<sup>2</sup> Federal Register March 22, 1984.

number of historic buildings GSA leases. Moreover, since there is no field signifying use of the preference and we do not maintain bid data in STAR, it is impossible to precisely quantify the influence of the preference.

Instead, nationwide leasing data was gathered using email questionnaires, telephone interviews, and documented case histories. The standard questions on leasing practices (Appendix B) were emailed to nationwide Regional Historic Preservation Officers, PARS Directors, and Leasing Specialists identified as likely to be aware of historic building leases.

The following issues were addressed:

- The number of active historic building leases in the region
- How often the ten percent preference was used
- Proportion of leased space in historic properties
- Obstacles that prevented historic buildings from being leased
- Obstacles tackled to award leases
- Relative importance of the preference in smaller versus larger cities

## **4. FINDINGS**

### **Effect of the Preference – Summary**

GSA's track record for leasing historic properties since the ten percent price preference was initiated suggests that the preference isn't making much of a difference in our leasing practices (See Appendix C, Leased Building Profiles). Our 68 participants nationwide were able to identify by name only 50 historic buildings in which GSA is leasing space (multiple leases in the same building count as one), of which 10 leases (20%) were known to have used the 10% price preference (Table 1). Thirty-eight historic buildings (76%) were known to have won lease awards on their own merits, without the price preference. Two large leases (4%) were the result of legislative action.

### **Data Reliability**

How much of our total historic building leasing does this 50 building sample represent? It is impossible to know, until we change our STAR tracking procedures. However, Historic Buildings and the Arts researchers worked persistently and systematically over a four-month period, assisted by the Center for Urban Development and Livability, to identify all specialists likely to have any knowledge of historic building leases. While it is unlikely that these contacts were able to identify every lease in historic buildings, given the number of individuals involved and persistence of the contact effort, it is also unlikely that the sample represents only a minute portion of our leasing in historic buildings. We believe the sample is reasonably indicative of GSA's relatively small historic building lease inventory and the extent to which the preference influences lease awards.

### **Historic Buildings in Relation to the Total Leased Building Inventory**

The 50 historic building sample represents only 0.8% of the 6,110 buildings in which GSA leases space. Even if these 50 known historic building leases represent only one half



or one third of our historic building leases, historic buildings would make up little more than 2% of the buildings we lease.

### **What kinds of historic buildings are most likely to win lease awards?**

A comparison of historic and non-historic building leases by size (s.f. and annual lease cost) sheds light on what types of historic buildings are most able to meet GSA's lease requirements and compete successfully. While the 50 building sample represents only 0.8% of the leased buildings, it represents 1.3% of our leased space (about 1.96 million s.f.) and 1.4% of our annual lease cost (about \$37.7 million).<sup>3</sup> This means that when we lease space in historic buildings, we are, *on average*, leasing larger blocks of space and slightly more expensive space than we lease in non-historic buildings (Appendix D). (Our *average* historic building lease provides 31,600 square feet, nearly 35% more space than the average GSA building lease of 23,000 feet)<sup>4</sup>

However, in reality, most GSA historic building leases are smaller than our average non-historic building lease.<sup>5</sup> The deviation between mean and median lease values (Appendices D, E, F) indicates that the *average*-sized historic building lease does not typify our historic building lease population and, in fact, GSA's historic building lease transactions involve 3 distinctly different types of lease properties and conditions (Appendix G):

### **Small-Medium Size Leases (under 50,000 s.f.) awarded on own merits (preference not applied)**

Just over half (28) of our known historic building leases involve small to moderate amounts of space (720 s.f. to 42,450 s.f.) able to compete successfully with space in non-historic buildings. Though this group represents 56% of our known historic building leases, it represents less than a fourth of the historic building space we lease (448,000 s.f.). These, our most *typical* historic building leases, average 16,523 s.f. and \$278,000 in annual rent.

Rents for this group are slightly lower than rents for leased buildings nationwide, averaging \$16.44/s.f.<sup>6</sup> In several cases, only historic buildings were offered. GSA worked with several historic building owners to accommodate GSA's system and code compliance requirements.

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<sup>3</sup> Total square footage (BOMA rentable) and annual lease value estimates for the 50 known historic building leases were developed by extrapolating from average values of the buildings for which the rentable area and lease values are available in the STAR database (48 and 46 of the 50 buildings, respectively). These averages were then adjusted to eliminate anomalously high values for the Wanamaker Building lease, see Note 4.

<sup>4</sup> Excludes the anomalously large lease of 414,454 square feet in Philadelphia's Wanamaker building (\$8.51 million annual cost) which skews average lease values for the 50 historic buildings identified in the study to 39,600 s.f. and \$767,000 annually.

<sup>5</sup> A *typical* (median) historic building lease provides 18,731 square feet of space, 18% less space than the average GSA lease.

<sup>6</sup> Calculated as the mean of each building's annual lease value divided by total rentable s.f. (all space leased to GSA within the building), taking into account all charges for usable/occupiable space, common space, parking and client-specific amenities and alterations.

**Large Leases (over 50,000 s.f.) awarded on own merits or through legislative action**

Under one fourth (11) of our known historic building leases represent nearly 70%, or 1.3 million s.f., of our known historic building leased space. Rents for this group average \$19.09/s.f., compared to \$17.18/s.f. nationwide<sup>7</sup>, partly a reflection of Return on Investment (ROI) rates charged for customized build out of the Stegmaier building (mixed Federal agencies) and Tacoma Union Station (Federal courts), at \$22/s.f. and \$30/s.f., respectively. The Tacoma Union Station and Stegmaier leases, representing nearly 11% (212,000 s.f.) of our known leased space in historic buildings nationwide, were the result of legislative action, rather than competitive bids.

Federal courts are an important large lease tenant, occupying more than 22% of GSA's leased space in historic buildings (Table 2).

**TABLE 2. LEASED HISTORIC BUILDINGS HOUSING COURTS**

Region	Location	Building	Rentable Square Footage	Annual Lease Value
3	Johnstown, PA	Penn Traffic Building	138,367	2,064,622
3	Reading, PA	Madison Building	56,194	975,418
3	Wheeling, WV	Edel Building	4,393	102,262
4	Nashville, TN	Custom House	62,287	1,104,575
5	Dayton, OH	Old Post Office	41,472	1,211,787
10	Fairbanks, AK	Courthouse Square	11,132	198,632
10	Tacoma, WA	Union Station	132,984	4,051,568
Total (7)			446,829	9,708,864

The historic Wanamaker Department Store building lease in Philadelphia provides our largest single block of leased space in any privately-owned historic building, 414,450 s.f. This single lease provides 21% of our known leased historic building space, or nearly as much space as all 28 of our small to moderate sized leases combined. It is, however, a short-term swing space arrangement terminating in October 2001.

Although not a focus of this study because it has little bearing on the price preference, our program of cooperation with the U.S. Postal Service to lease space in underutilized postal facilities has resulted in major historic building leases having a critical impact on older central business areas by keeping focal public buildings in public use. Largest among these is a 758,700 s.f. lease in Washington DC's Postal Square (old City Post Office) for congressional offices. The 79,000 s.f. Stegmaier Building lease in Wilkes-Barre, PA was also made possible through an agreement with the Postal Service.

<sup>7</sup> Calculated as the total GSA annual lease value nationwide divided by the total rentable s.f. leased to GSA nationwide, not literally a mean square foot rent rate (which cannot be automatically generated using STAR).

### **Small-Medium Size Leases (under 50,000 s.f.) awarded as a result of the 10% price preference**

The ten buildings known to have used the 10% lease preference provide 6-7%<sup>8</sup> of our known leased space in historic buildings nationally, at rates comparable to average rents nationwide. Leases awarded as a result of the preference range from 1550 s.f. to 36,500 s.f., averaging 13,322 s.f., somewhat over half the size of our average lease nationwide and just over one third of the average size of historic building leases awarded without the benefit of the preference.<sup>9</sup>

These findings appear to suggest that, as a rule, historic buildings compete better for relatively smaller blocks of space—to a point. This may simply reflect the obvious—that historic buildings are generally smaller than newer buildings. The data further appears to suggest that significantly smaller buildings and more remote areas tend to benefit most from the preference. These buildings may have to invest more to meet basic lease requirements, such as agency floor layout standards (e.g. removal of interior partitions for open office planning) or required compliance with fire safety, accessibility, and building codes.

### **What environments best support leasing of historic buildings?**

Our strongest historic building leasing environment by far is Region 3, where the study data<sup>10</sup> indicates over one third (36%) of our known historic building leasing transactions nationwide occur, and 57% of our known leased space in historic buildings is located, accounting for 60% of our annual lease costs for historic buildings nationwide (Appendix B).

With the dramatic exception of Philadelphia, historic buildings do not compete well in major cities. Only 20% (10) of our leased historic buildings are in major cities. Eighty percent (8) of these buildings are in Philadelphia. Regional staff explain that historic buildings dominate the market in Philadelphia and compete on their own merits. None of our leases in Philadelphia relied on the preference. Our lease in Chicago's Rookery, on the other hand, relied both on the preference and special adjustments to enable the lessor to meet lease requirements affordably.

The great majority (80%) of our historic building leases are in smaller cities and small towns. This may be because historic buildings remain the monumental structures in these towns, or maybe even because these buildings are more likely to be local white elephants, less able to be absorbed by the local commercial market, and therefore available for government use.

### **Which locations and types of buildings depend most on the lease preference?**

The anomalous historic building leasing pattern of Region 8 indicates that in some areas historic buildings depend heavily on the lease preference. All eight known historic

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<sup>8</sup>Estimated total for this lease subset extrapolates the subset's average s.f. of 13,332 to estimate unknown value for the Carpenter Hotel in Sioux Falls, SD.

<sup>9</sup> This average value excludes non-competitive lease procurements, Stegmaier and Tacoma Union Station

<sup>10</sup> See Data Reliability, p.4, for relevant caveats.

building leases in Region 8 relied on the 10% preference. Notably, these leases are for significantly smaller blocks of space than typical among our historic building leases, averaging 10,660 square feet, compared to the average 31,600 square feet blocks we lease in historic buildings overall and the average 23,000 square feet in leased buildings nationwide.

This pattern suggests that smaller historic buildings in more remote areas may benefit significantly from the preference policy, factor apparently borne out by a Butte Montana case presented at the 1999 National Preservation Conference<sup>11</sup>. In this case, the lease preference not only enabled an otherwise non-viable historic building to compete, but made a significant difference for the local central business area by keeping the Federal agency presence—substantial to this small community—downtown. Competing non-historic building leases were for space in contemporary strip development on the perimeter of the city, outside of the older central business area.

### **Which Federal Agencies are Leasing Space in Historic Buildings?**

Appendix H lists principal Federal tenants in each historic building GSA leases. Table 3 shows relative space assignment values for GSA's top three historic building lease tenants. Comparing principal Federal agencies located in leased space awarded as a result of the preference and principal Federal tenants in historic buildings overall may be an indication of which GSA customers have the greatest potential to increase Federal agency leasing of historic buildings.

Our most significant historic building lease customers overall (by lease area) are Federal courts, leasing large blocks of space in buildings with high common area factors (rentable to usable space ratio), typically 1.15 for leased court buildings. Given the high visibility and symbolic importance of the judiciary in our society, Federal courts are perhaps the most likely to be interested in buildings featuring monumental entries, finely finished lobbies, generous circulation space, and richly appointed ceremonial spaces. The courts' lofty public function and broad geographic distribution should continue to create opportunities to ensure the viability of high profile community landmarks such as luxury hotels, urban railroad stations, post offices, libraries, bank buildings, and Masonic temples. STAR data identifies no court tenants in historic buildings leased as a result of the preference.

The most important tenant in historic buildings leased as a result of the preference and the fourth most important tenant (excluding GSA) in leased historic buildings overall is the Department of Justice. Possible explanations are the agency's relatively high demand for private (attorney) office space (reducing the need for deep floorplates, wide column spacing, and spacial reconfiguration to create large open space office areas). DOJ tenants are potentially a good match for smaller, architecturally intact historic buildings retaining their original floorplans (e.g. private offices flanking double or single loaded corridors).

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<sup>11</sup> National Trust for Historic Preservation 1999 annual conference, Washington, D.C., *Bringing More Federal Jobs Downtown: Executive Order 13006*.

The Social Security Administration (SSA) is an important tenant in historic buildings leased as a result of the preference and those leased without using it. Health and Human Services is similar to SSA in preferring large blocks of open area for files and field staff. These agencies are good candidates for historic buildings having less elaborate or less intact interiors or as tenants in multi-agency leased buildings.

**TABLE 3. TOP SIX FEDERAL TENANTS IN LEASED HISTORIC BUILDINGS**

Tenant	Occupiable Square Feet <sup>12</sup>
General Services Administration (GSA)	275,000 <sup>13</sup>
Courts	227,700 <sup>14</sup>
Social Security Administration (SSA)	159,585
Health & Human Services (HHS)	101,400
Justice Department (JD)	56,600
Internal Revenue Service (IRS)	50,100

### **Obstacles to leasing historic buildings**

The study identified the following obstacles to leasing historic buildings, in descending order of importance (Appendix H):

- Fire and life safety compliance
- ADA compliance (elevators, restrooms, drinking fountains)
- Floorplate limitations (square footage, column spacing, configuration)
- Electrical and telephone infrastructure limitations (difficult vertical/horizontal runs)
- Limited amenities (building class, parking)
- Hazardous materials (asbestos)

Modern fire safety requirements are cited most often and by the most regions as a primary obstacle preventing GSA from leasing historic buildings. Building and seismic code compliance are secondary challenges. Historic buildings at market rate rents often cannot support the cost of spatial reconfiguration and construction of new stairways and openings to provide the required number of direct exits. Buildings over five stories tall and 35,000 s.f. cannot always support the cost of required fire suppression.

<sup>12</sup> Indicates only those space assignments available in STAR. The deviation between STAR lease and space assignment data indicates that space assignment information is incomplete. Therefore, these are assumed to be conservative estimates of tenant agency occupancy. Common area factors range from 1 to 1.16, averaging around 1.12 for historic buildings. BOMA rentable s.f. can be estimated by adding 12% for common space to the occupiable/useable s.f. value.

<sup>13</sup> Reflects GSA use of Wanamaker building in Philadelphia as temporary swing space during rehabilitation of government owned space.

<sup>14</sup> The intent of this chart is to show relative occupancy values. Discrepancy between STAR rentable and occupiable/useable s.f. values for courts indicate that a number of space assignments are not accessible in the database. (Total rentable space by building/lease frequently does not correlate to total space assignment values even when vacancies and common area, including parking, are taken into account.) Rentable s.f. values (Table 2, Appendices D and E) are more reliable indicators of lease sizes.

The cost and complexity of major elevator alterations to accommodate accessibility requirements (larger cabs, hoistways) also eliminates historic buildings from the competitive leasing arena. System upgrade requirements, particularly electrical and telecommunications routing challenges, are another common obstacle.

In locations such as the National Capital Region, where large agency headquarters tenants require very large blocks of space that historic buildings can rarely provide, floorplate characteristics are a major factor in preventing historic buildings from making the first cut in leased space awards. Agencies such as the Social Security Administration (SSA) and the Internal Revenue Service (IRS) require unbroken blocks of space for open office planning that uses systems furniture for maximum space utilization. SSA's 20 feet on center column spacing requirement and maximum 2 to 1 building length to width ratio preclude most historic buildings, especially those that commonly occupy the Main Streets of smaller cities. IRS has similarly prescriptive requirements.

#### **4. CONCLUSION**

The study indicates that the 10% lease price preference does not have a significant impact on lease selections nationwide. However, the anomalous leasing pattern of Region 8, borne out in the Butte, Montana presentation at the 1999 National Preservation Conference, suggests that while the effect of the preference is not statistically significant, it nevertheless may have a significant impact on older central business areas in small towns. Where the preference enables a focal historic building of the community to remain viable or provides a critical Federal presence in older central business areas, it yields indirect economic benefits beyond its basic intent of promoting Federal use of historic buildings.

A comparison of rent rates for historic buildings using the preference and rents for all leased building nationwide indicates that the preference does not cost GSA customers much and may be worth its value in community good will. Historic building lease success stories gain GSA positive visibility in high profile landmarks such as Chicago's Rookery and build GSA's image as a good neighbor. The study also appears to indicate that above average rent rates are more a function of location and tenant construction requirements than preferential pricing. Rents for historic building leases awarded as a result of the price preference average about the same as GSA leased building rents nationwide.

When both the preference and legislated lease actions are taken into account, one in four of our historic building leases and 17% of our leased space in historic buildings are not the result of *lowest bid* competition. (When GSA leases in properties controlled by the U.S. Postal Service are also taken into account, one third of our known leased space in historic buildings is not the result of lowest bid competition.)

Notwithstanding the value of the preference to some historic buildings, the study underscores the need for new strategies that rely less on financial incentives than the

removal of barriers to leasing space in historic buildings. From top down and bottom up, GSA must guide its realty specialists and tenant agencies to embrace Federal preservation and urban development goals.

## **5. RECOMMENDATIONS**

The Butte, Montana case and the success of GSA's Center for Urban Development and Livability in recasting GSA's image as an agency that supports urban economies reveal that one of our most important tools for overcoming these obstacles is GSA's leasing specialists. Several of our historic building lease success stories occurred because leasing specialists personally embraced the goals of the National Historic Preservation Act and Executive Order 13006 and were committed to overcoming obstacles. (See GSA *Urban Policy Update: Implementing Policy for Executive Order 13006: Locating Federal Facilities on Historic Properties in Our Nation's Central Cities*, GSA Center for Urban Development and Livability.) Our performance measures and award programs need to recognize such individuals. We currently measure GSA progress toward some socioeconomic goals, such as awarding construction contracts to minority and women-owned firms, but do not measure or generally acknowledge the role that leasing specialists play in our progress as a good neighbor and contributor to the viability of historic buildings and communities.

Our training for leasing specialists needs to eliminate hindrances such as narrow interpretation of tenant requirements, disinterest or inability to persuade tenant agencies to embrace the preservation and urban goals, and the perception that competitive leasing precludes helping historic buildings overcome challenges such as affordable ADA compliance. Regional upper management, especially Portfolio Management executives, can reinforce these goals by promoting use of historic buildings and central business area locations and encouraging executives in GSA's principal tenant agencies to do the same.

Our Good Neighbor efforts and upper management/tenant liaisons can also help to build a constituency for legislation to enable reuse of community landmarks like Tacoma Union Station and the Stegmaier building. Absent available space in Federally owned historic buildings, GSA should consult with local communities and preservation advocacy groups about opportunities that may exist to accommodate expanding Federal courts in leased historic building space and then include the leased historic building option in its financial (MAPP) analysis of construction alternatives. GSA also should continue its cooperative efforts with the U.S. Postal Service to keep historic post offices viable as public buildings.

Lease agreements should be structured to encourage historic building owners to make use of private investment incentives such as Tax Increment Financing (TIF) and Federal, state, and local rehabilitation tax credits. Early GSA consultation with State Historic Preservation Officers and National Park Service tax credit review staff is also recommended to ensure that projects qualify for historic building rehabilitation credits.

Strategies for addressing historic building owner difficulties meeting lease requirements include:

### **Fire and Life Safety Requirements**

Fire safety challenges might be mitigated by allowing privately owned buildings that GSA leases to use performance-based and other alternative approaches to meeting code intent, in order to reduce the need for material replacement and construction of new assemblies.

Several states have developed historic building codes created in the recognition that radically altering historic buildings to meet new construction codes can be very costly and destructive. California's Historic Building Code provides alternative requirements intended to meet the intent of modern codes with as little destruction of historic materials as possible.

Getty-funded research by the Association for Preservation Technology examines a variety of State Historic Building Codes and may also provide alternative compliance approaches applicable to leased historic buildings. An impending update to NFPA 914, Standard for Fire Protection in Historic Structures, will also identify performance and equivalency-based solutions relevant to a variety of fire risk scenarios.

GSA's Fire Safety Retrofitting Manual (1989) outlines a comprehensive risk analysis method and alternative solutions for meeting fire safety requirements in the Government's historic buildings. Solutions that we develop for our owned inventory should be considered for prospective lease buildings. Our own schedule for retrofitting our Federally owned inventory with fire suppression systems indicates not only the magnitude of retrofitting cost, but also our own willingness to accept interim risk reduction measures. Such measures might be considered for leased buildings as well.

Low intervention methods for controlling hazardous materials should also be encouraged (e.g., encapsulation of lead paint, avoiding disturbance of sound asbestos containing materials).

### **Accessibility Requirements**

Alternative solutions and minor variances (e.g., for elevator cab size) may allow historic buildings to compete while meeting the intent of the Act. Offset hinges can be used to increase door-opening clearances. The provision of unisex accessible restrooms can reduce the cost of compliance with Uniform Federal Accessibility Standards (UFAS).

### **Infrastructure limitations**

Documenting electrical and telecommunications routing solutions used in smaller GSA owned historic buildings may help to identify affordable alternatives for upgrading systems in leased buildings.



### **Floorplate Limitations**

Leasing specialists can play a critical role as historic building advocates by helping customers define their space requirements flexibly. Space requirements should focus on program requirements (e.g., a need to support particular equipment, storage, or space utilization), rather than the prescriptive means by which requirements are customarily met in new construction. Large floor area requirements, for instance, can sometimes be met by separating workspace and storage space. Case studies are a valuable tool for demonstrating how such program requirements can be successfully met in historic buildings. Agency-specific prescriptive requirements may be more effectively negotiated at the executive level.

### **Amenities**

Tenants are more willing to redefine location and building class requirements when GSA actively promotes historic buildings and central urban locations. Region 9's efforts to relocate tenants from suburban leased space to urban owned buildings illustrate the importance of marketing the benefits of historic buildings and urban locations, particularly where suburban leased space provides free parking not available in central business areas.

Valet parking agreements with nearby commercial garages (providing drop off service for judges, executives, and high security-risk tenants) might be explored where on-site parking is not available. In Juneau, Alaska, local officials anxious to maintain a government presence in the community provide State employees use of municipal parking facilities and shuttle buses at reduced rates (some fees waived). GSA might pursue similar arrangements with municipal or state governments in older central business areas where parking limitations impede leasing of historic buildings.

One of the most persuasive methods of marketing historic buildings is providing customers photographs of finished space in comparable historic buildings (calling attention to ornamental finishes, features, spatial proportions) to help customers visualize how appealing space in a leased historic building can be. Lists of area urban amenities such as nearby restaurants, shops and services (as compiled by Chambers of Commerce), can also be helpful. Leasing specialists can also work with tenants to identify self supporting tenant retail services that might be provided in urban historic buildings.

GSA marketing should make the most of the graphic power of historic buildings. Compelling images of treasured community landmarks within which GSA leases space should be placed conspicuously in promotional material for customers seeking new space. Internet-accessible marketing to prospective leased building tenants could capitalize on the appeal of community icons within the leased building inventory.

## **APPENDIX A GSA ORDER 570.702(b): HISTORIC PREFERENCE, AUG 1994**

552.270-4 Historic Preference.

As prescribed in 570.702(b), insert the following provision:  
HISTORIC PREFERENCE (AUG 1994)

(a) Preference will be given to offers of space in buildings on, or formally listed as eligible for inclusion in the National Register of Historic Places and to historically significant buildings in historic districts listed in the National Register. Such preference will be extended to historic buildings and will result in award if:

(1) The offer for space meets the terms and conditions of this solicitation as well as any other offer received. (It is within the discretion of the Contracting Officer to accept alternatives to certain architectural characteristics and safety features defined elsewhere in this solicitation to maintain the historical integrity of the building such as high ceilings, wooden floors, etc.); and

(2) The rental is no more than 10 percent higher on a total annual square foot (occupiable) cost to the Government than the lowest otherwise acceptable offer.

(b) If more than one offer of an historic building is received and they meet the above criteria, an award will then be made to the lowest priced historic property offered.

## APPENDIX B REGIONAL LEASING QUESTIONNAIRE

Historic building leases in your Region

Name \_\_\_\_\_

Title \_\_\_\_\_

Region number \_\_\_\_\_

1) Number of historic building leases in effect in the region \_\_\_\_\_  
Number expired or terminated \_\_\_\_\_  
Did the agency move into another historic property? \_\_\_\_\_  
Reasons for move \_\_\_\_\_  
\_\_\_\_\_

2) Proportion of leased space in historic properties vs. newer buildings (square footage)  
Historic \_\_\_\_\_sf Non-Historic \_\_\_\_\_sf

3) Number of leases *offered* in historic buildings. \_\_\_\_\_ How often (approx. %) \_\_\_\_\_

4) Did the 10% price preference make a difference in awarding leases? \_\_\_\_\_  
If more than one historic building lease, please  
explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5) If an historic building was denied a lease, please indicate reasons and give further explanation:

☐ Regulatory \_\_\_\_\_  
\_\_\_\_\_

☐ Life Safety \_\_\_\_\_  
\_\_\_\_\_

- ☐ Insufficient space\_\_\_\_\_
- \_\_\_\_\_
- ☐ Floor plate\_\_\_\_\_
- \_\_\_\_\_
- ☐ Parking\_\_\_\_\_
- \_\_\_\_\_
- ☐ Location/Community change\_\_\_\_\_
- ☐ Limited amenities\_\_\_\_\_
- \_\_\_\_\_
- ☐ Other\_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**6) IF A HISTORIC BUILDING WAS AWARDED A LEASE, PLEASE ELABORATE ON ANY BARRIERS THAT WERE OVERCOME (I.E. CREATIVE SOLUTIONS TO SPACE NEEDS, INSTALLATION OF AMENITIES, OTHER SOLUTIONS)**

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## APPENDIX C HISTORIC LEASED BUILDING PROFILES

Reg	Location	Building Name	10% Used?	Rentable Square Footage	Annual Lease Value	Comments
1	---	No historic bldg leases	---	--	--	Historic building information was lost during conversion to the STAR database.
2	Newark, NJ	10 Park Place	Y	26,111	435,707	---
3	Camden, NJ	Hudson Square Building	N	18,562	356,618	The 10% preference is not used in Philadelphia because most buildings that are offered <i>are</i> historic. Leases in historic buildings represented 31% of all leased space in 1998 and 77% in 1999.
	Philadelphia, PA	Wanamaker Building	N	414,454	8,510,333	
	Philadelphia, PA	Bourse Building	N	86,036	1,880,533	
	Philadelphia, PA	Public Ledger Building	N	123,406	1,837,316	
	Philadelphia, PA	Curtis Center	N	42,451	1,043,030	
	Philadelphia, PA	Mellon Independence Center	N	64,486	1,277,575	
	Philadelphia, PA	Cast Iron Building	N	5,221	93,751	
	Philadelphia, PA	Sovereign Building	N	3,507	58,205	
	Philadelphia, PA	Middishade Building	N	82,544	1,644,117	No competition, build to suit legislative action (GSA & U.S. Postal Service)
	Wilkes-Barre, PA	Stegmaier Brewery	N	79,033	1,734,696	
	Johnstown, PA	Penn Traffic Building	N	138,367	2,064,622	
	Scranton, PA	Oppenheim Building	N	27,220	410,679	
	Reading, PA	Madison Building	N	56,194	975,418	
	Roanoke, VA	Stone Print Building	N	34,222	463,771	
	Richmond, VA	Schockoe Center	N	9,925	134,701	
	Clarksburg, WV	Edel Building	N	4,393	102,262	
	Huntington, WV	River Tower	N	18,900	153,586	
	Wheeling, WV	Horne Building	N	26,840	354,036	
4	Birmingham, AL	Burger-Phillips Center	N	93,202	979,264	This building was the lowest offer, so the 10% preference was not necessary.
	Nashville, TN	Custom House	N	62,287	1,104,575	This building was the lowest offer, so the 10% preference was not necessary.
	Savannah, GA	American Building	N	Unavailable	Unavailable	No building modifications necessary. Lowest offer so 10% not needed.
	Savannah, GA	Smith & Kelly Building	N	10,660	181,441	The only building offered. Owner installed new systems.
	Louisville, KY	Heyburn Building	N	31,993	361,818	This building was the lowest offer, so the 10% preference was not necessary.
	Fort Pierce, FL	Fort Pierce Hotel	N	720	14,061	Only space available, so the 10% preference was not used.
	Tampa, FL	Kress Building	N	23,931	393,158	Owner and tenant worked together to make the space serviceable while retaining historic features. Lowest offer so 10% not needed.

5	Chicago, IL	The Rookery	Y	18,999	493,069	The Rookery was granted a waiver for accessibility requirements.
	Dayton, OH	Old Post Office	N	41,472	1,211,787	The owner, GSA, and the Ohio SHPO worked together to meet systems and code requirements without damaging historic elements.
	Chillicothe, OH	Foulke Building	N	7,988	135,796	The only acceptable space offered, so the 10% preference was not necessary.
	Janesville, WI	Lappin Hays	N	1,047	10,565	
6	Waterloo, IA	Central Chicago Building	N	2,486	31,353	GSA worked with owner to install new systems to meet accessibility and safety requirements. Only 2 submissions met the requirements and one withdrew.
	Cedar Rapids, IA	Hach Building	N	25,696	309,084	The buildings were the lowest offers, so the 10% preference was not necessary. Notice of the 10% preference was included in all solicitations.
	Sioux City, IA	Commerce Building	N	8,444	Unavailable	
	Topeka, KS	632 SW Van Buren	N	10,930	153,779	
	Kansas City, MO	Lucas Place	N	27,742	291,844	
	Kansas City, MO	Scarritt Building	N	15,755	163,544	
7	---	No historic bldg leases	--	--	--	
8	Billings, MT	Old Chamber Building	Y	4,400	145,200	Leased space in historic buildings accounts for less than 1% of total leased space (about 5 million sf).
	Butte, MT	Finlen Complex	Y	15,534	163,903	
	Rapid City, SD	Republican Block Building	Y	4,211	52,793	
	Rapid City, SD	Penney Haines Building	Y	9,042	136,380	
	Sioux Falls, SD	Shriver Square	Y	36,482	496,224	
	Sioux Falls, SD	Carpenter Hotel	Y	Unavailable	Unavailable	
	Butte, MT	F & W Grand	Y	3,566	37,603	
9	Missoula, MT	FBI	Y	1,556	27,720	
	San Francisco, CA	SSA	N	10,761	338,913	Only offer.
10	Portland, OR	Yeon Building	N	10,044	Unavailable	10% price preference not used because these were the lowest qualifying offers.
	Seattle, WA	Union Trust Annex	N	8,671	168,224	
	Boise, ID	Alaska Center	N	7,383	97,680	
	Fairbanks, AK	Courthouse Square	N	11,132	198,632	
	Tacoma, WA	Union Station	N	132,984	4,051,468	Legislative (non-competitive).
11	---	No historic bldg leases	---	--	--	---

Total # of leased historic buildings 50  
 Total rentable square footage (48) 1,900,990  
 Total annual lease value (46) \$35,280,934

## APPENDIX D HISTORIC BUILDING LEASES USING/NOT USING 10% PREFERENCE: MEAN RENTABLE AREA & ANNUAL LEASE VALUE

### Historic building leases using the 10% Price Preference

Region	Location	Building	Rentable Square Footage	Annual Lease Value
2	Newark, NJ	10 Park Place	26,111	435,707
5	Chicago, IL	The Rookery	18,999	493,069
8	Billings, MT	Old Chamber Building	4,400	145,200
8	Butte, MT	Finlen Complex	15,534	163,903
8	Butte, MT	F & W Grand	3,566	37,603
8	Missoula, MT	FBI	1,556	27,720
8	Rapid City, SD	Republican Block Building	4,211	52,793
8	Rapid City, SD	Penney Haines Building	9,042	136,380
8	Sioux Falls, SD	Shriver Square	36,482	496,224
8	Sioux Falls, SD	Carpenter Hotel	unknown	unknown
<b>Total (9 of 10)</b>			<b>119,901</b>	<b>1,988,599</b>
<b>Mean</b>			<b>13,322</b>	<b>220,955</b>

### Historic building leases not using the 10% Price Preference

3	Camden, NJ	Hudson Square Building	18,562	356,618
3	Philadelphia, PA	Wanamaker Building	414,454	8,510,333
3	Philadelphia, PA	Bourse Building	86,036	1,880,533
3	Philadelphia, PA	Public Ledger Building	123,406	1,837,316
3	Philadelphia, PA	Curtis Center	42,451	1,043,030
3	Philadelphia, PA	Mellon Independence Center	64,486	1,277,575
3	Philadelphia, PA	Cast Iron Building	5,221	93,751
3	Philadelphia, PA	Sovereign Building	3,507	58,205
3	Philadelphia, PA	Middishade Building	82,544	1,644,117
3	Wilkes-Barre, PA	Stegmaier Building	79,033	1,734,696
3	Johnstown, PA	Penn Traffic Building	138,367	2,064,622
3	Scranton, PA	Oppenheim Building	27,220	410,679
3	Reading, PA	Madison Building	56,194	975,418
3	Roanoke, VA	Stone Print Building	34,222	463,771
3	Richmond, VA	Schockoe Center	9,925	134,701
3	Clarksburg, WV	Edel Building	4,393	102,262
3	Huntington, WV	River Tower	18,900	153,586
3	Wheeling, WV	Horne Building	26,840	354,036
4	Birmingham, AL	Burger-Phillips Center	93,202	979,264
4	Nashville, TN	Custom House	62,287	1,104,575
4	Savannah, GA	Smith & Kelly Building	10,660	181,441
4	Louisville, KY	Heyburn Building	31,993	361,818
4	Fort Pierce, FL	Fort Pierce Hotel	720	14,061
4	Tampa, FL	Kress Building	23,931	393,158
5	Dayton, OH	Old Post Office	41,472	1,211,787
5	Chillicothe, OH	Foulke Building	7,988	135,796
5	Janesville, WI	Lappin Hays	1,047	10,565
6	Waterloo, IA	Central Chicago Building	2,486	31,353
6	Cedar Rapids, IA	Hach Building	25,696	309,084
6	Topeka, KS	632 SW Van Buren	10,930	153,779
6	Kansas City, MO	Lucas Place	27,742	291,844
6	Kansas City, MO	Scarritt Building	15,755	163,544
9	San Francisco, CA	SSA	10,761	338,913
10	Seattle, WA	Union Trust Annex	8,671	168,224
10	Tacoma, WA	Union Station	132,984	4,051,568
10	Fairbanks, AK	Courthouse Square	11,132	198,632
10	Boise, ID	Alaska Center	7,383	97,680
10	Portland, OR	Yeon Building	10,044	unknown
6	Sioux City, IA	Commerce Building	8,444	unknown
4	Savannah, GA	American Building	unknown	unknown
<b>Total (39/37 of 40)</b>			<b>1,781,089</b>	<b>33,292,335</b>
<b>Mean</b>			<b>45,669</b>	<b>899,793</b>
<b>Overall Historic Building Total (48/46 of 50 known)</b>			<b>1,900,990</b>	<b>35,280,934</b>
<b>Overall Historic Building Mean</b>			<b>39,604</b>	<b>766,977</b>

## APPENDIX E

### HISTORIC BUILDING LEASES SORTED BY SIZE ( RENTABLE S.F.)

<u>Region</u>	<u>Location</u>	<u>Building</u>	<u>Rentable Square Footage</u>	<u>Annual Lease Value</u>
4	Fort Pierce, FL	Fort Pierce Hotel	720	14,061
5	Janesville, WI	Lappin Hays	1,047	10,565
8*	Missoula, MT	FBI	1,556	27,720
6	Waterloo, IA	Central Chicago Building	2,486	31,353
3	Philadelphia, PA	Sovereign Building	3,507	58,205
8*	Butte, MT	F & W Grand	3,566	37,603
8*	Rapid City, SD	Republican Block Building	4,211	52,793
3	Clarksburg, WV	Edel Building	4,393	102,262
8*	Billings, MT	Old Chamber Building	4,400	145,200
3	Philadelphia, PA	Cast Iron Building	5,221	93,751
10	Boise, ID	Alaska Center	7,383	97,680
5	Chillicothe, OH	Foulke Building	7,988	135,796
6	Sioux City, IA	Commerce Building	8,444	unknown
10	Seattle, WA	Union Trust Annex	8,671	168,224
8*	Rapid City, SD	Penney Haines Building	9,042	136,380
3	Richmond, VA	Schockoe Center	9,925	134,701
10	Portland, OR	Yeon Building	10,044	unknown
4	Savannah, GA	Smith & Kelly Building	10,660	181,441
9	San Francisco, CA	SSA	10,761	338,913
6	Topeka, KS	632 SW Van Buren	10,930	153,779
10	Fairbanks, AK	Courthouse Square	11,132	198,632
8*	Butte, MT	Finlen Complex	15,534	163,903
6	Kansas City, MO	Scarritt Building	15,755	163,544
3	Camden, NJ	Hudson Square Building	18,562	356,618
3	Huntington, WV	River Tower	18,900	153,586
5*	Chicago, IL	The Rookery	18,999	493,069
4	Tampa, FL	Kress Building	23,931	393,158
6	Cedar Rapids, IA	Hach Building	25,696	309,084
2*	Newark, NJ	10 Park Place	26,111	435,707
3	Wheeling, WV	Horne Building	26,840	354,036
3	Scranton, PA	Oppenheim Building	27,220	410,679
6	Kansas City, MO	Lucas Place	27,742	291,844
4	Louisville, KY	Heyburn Building	31,993	361,818
3	Roanoke, VA	Stone Print Building	34,222	463,771
8*	Sioux Falls, SD	Shriver Square	36,482	496,224
5	Dayton, OH	Old Post Office	41,472	1,211,787
3	Philadelphia, PA	Curtis Center	42,451	1,043,030
3	Reading, PA	Madison Building	56,194	975,418
4	Nashville, TN	Custom House	62,287	1,104,575
3	Philadelphia, PA	Mellon Independence Center	64,486	1,277,575
3	Wilkes-Barre, PA	Stegmaier Brewery	79,033	1,734,696
3	Philadelphia, PA	Middishade Building	82,544	1,644,117
3	Philadelphia, PA	Bourse Building	86,036	1,880,533
4	Birmingham, AL	Burger-Phillips Center	93,202	979,264
3	Philadelphia, PA	Public Ledger Building	123,406	1,837,316
10	Tacoma, WA	Union Station	132,984	4,051,568
3	Johnstown, PA	Penn Traffic Building	138,367	2,064,622
3	Philadelphia, PA	Wanamaker Building	414,454	8,510,333
8*	Sioux Falls, SD	Carpenter Hotel	unknown	unknown
4	Savannah, GA	American Building	unknown	unknown
<b>Median Rentable Square Footage -- Overall</b>			<b>18,731</b>	
Median Rentable Square Footage -- 10% used			9,042	
Median Rentable Square Footage -- 10% not used			23,931	

\* Buildings using the 10% Price Preference



## APPENDIX F HISTORIC BUILDING LEASES SORTED BY LEASE VALUE

<u>Region</u>	<u>Location</u>	<u>Building</u>	<u>Rentable Square Footage</u>	<u>Annual Lease Value</u>
5	Janesville, WI	Lappin Hays	1,047	10,565
4	Fort Pierce, FL	Fort Pierce Hotel	720	14,061
8*	Missoula, MT	FBI	1,556	27,720
6	Waterloo, IA	Central Chicago Building	2,486	31,353
8*	Butte, MT	F & W Grand	3,566	37,603
8*	Rapid City, SD	Republican Block Building	4,211	52,793
3	Philadelphia, PA	Sovereign Building	3,507	58,205
3	Philadelphia, PA	Cast Iron Building	5,221	93,751
10	Boise, ID	Alaska Center	7,383	97,680
3	Clarksburg, WV	Edel Building	4,393	102,262
3	Richmond, VA	Schockoe Center	9,925	134,701
5	Chillicothe, OH	Foulke Building	7,988	135,796
8*	Rapid City, SD	Penney Haines Building	9,042	136,380
8*	Billings, MT	Old Chamber Building	4,400	145,200
3	Huntington, WV	River Tower	18,900	153,586
6	Topeka, KS	632 SW Van Buren	10,930	153,779
6	Kansas City, MO	Scarritt Building	15,755	163,544
8*	Butte, MT	Finlen Complex	15,534	163,903
10	Seattle, WA	Union Trust Annex	8,671	168,224
4	Savannah, GA	Smith & Kelly Building	10,660	181,441
10	Fairbanks, AK	Courthouse Square	11,132	198,632
6	Kansas City, MO	Lucas Place	27,742	291,844
6	Cedar Rapids, IA	Hach Building	25,696	309,084
9	San Francisco, CA	SSA	10,761	338,913
3	Wheeling, WV	Horne Building	26,840	354,036
3	Camden, NJ	Hudson Square Building	18,562	356,618
4	Louisville, KY	Heyburn Building	31,993	361,818
4	Tampa, FL	Kress Building	23,931	393,158
3	Scranton, PA	Oppenheim Building	27,220	410,679
2*	Newark, NJ	10 Park Place	26,111	435,707
3	Roanoke, VA	Stone Print Building	34,222	463,771
5*	Chicago, IL	The Rookery	18,999	493,069
8*	Sioux Falls, SD	Shriver Square	36,482	496,224
3	Reading, PA	Madison Building	56,194	975,418
4	Birmingham, AL	Burger-Phillips Center	93,202	979,264
3	Philadelphia, PA	Curtis Center	42,451	1,043,030
4	Nashville, TN	Custom House	62,287	1,104,575
5	Dayton, OH	Old Post Office	41,472	1,211,787
3	Philadelphia, PA	Mellon Independence Center	64,486	1,277,575
3	Philadelphia, PA	Middishade Building	82,544	1,644,117
3	Wilkes-Barre, PA	Stegmaier Brewery	79,033	1,734,696
3	Philadelphia, PA	Public Ledger Building	123,406	1,837,316
3	Philadelphia, PA	Bourse Building	86,036	1,880,533
3	Johnstown, PA	Penn Traffic Building	138,367	2,064,622
10	Tacoma, WA	Union Station	132,984	4,051,568
3	Philadelphia, PA	Wanamaker Building	414,454	8,510,333
4	Savannah, GA	American Building	unknown	unknown
6	Sioux City, IA	Commerce Building	8,444	unknown
8*	Sioux Falls, SD	Carpenter Hotel	unknown	unknown
10	Portland, OR	Yeon Building	10,044	unknown
<b>Median Annual Lease Value -- Overall</b>				<b>\$355,327</b>
Median Annual Lease Value -- 10% Used				\$145,200
Median Annual Lease Value -- 10% Not Used				\$354,036

\* Buildings using the 10% price preference

## APPENDIX G HISTORIC BUILDING LEASES BY PREFERENCE USE & SIZE

Small to Medium Historic Building Leases using the 10% Price Preference (no buildings over 50,000 square feet)					
Region	Location	Building	Rentable Square Footage	Annual Lease Value	ALV/RSF
2	Newark, NJ	10 Park Place	26,111	435,707	\$16.69
5	Chicago, IL	The Rookery	18,999	493,069	\$25.95
8	Billings, MT	Old Chamber Building	4,400	145,200	\$33.00
8	Butte, MT	Finlen Complex	15,534	163,903	\$10.55
8	Butte, MT	F & W Grand	3,566	37,603	\$10.54
8	Missoula, MT	FBI	1,556	27,720	\$17.81
8	Rapid City, SD	Republican Block Building	4,211	52,793	\$12.54
8	Rapid City, SD	Penney Haines Building	9,042	136,380	\$15.08
8	Sioux Falls, SD	Shriver Square	36,482	496,224	\$13.60
8	Sioux Falls, SD	Carpenter Hotel	unknown	unknown	
<b>Total (9 of 10)</b>			<b>119,901</b>	<b>1,988,599</b>	
<b>Mean</b>			<b>13,322</b>	<b>220,955</b>	<b>\$16.51</b>
Small to Medium Historic Building Leases not using the 10% Price Preference					
3	Camden, NJ	Hudson Square Building	18,562	356,618	\$19.21
3	Philadelphia, PA	Curtis Center	42,451	1,043,030	\$24.57
3	Philadelphia, PA	Cast Iron Building	5,221	93,751	\$17.96
3	Philadelphia, PA	Sovereign Building	3,507	58,205	\$16.60
3	Scranton, PA	Oppenheim Building	27,220	410,679	\$15.09
3	Roanoke, VA	Stone Print Building	34,222	463,771	\$13.55
3	Richmond, VA	Schockoe Center	9,925	134,701	\$13.57
3	Clarksburg, WV	Edel Building	4,393	102,262	\$23.28
3	Huntington, WV	River Tower	18,900	153,586	\$8.13
3	Wheeling, WV	Horne Building	26,840	354,036	\$13.19
4	Savannah, GA	Smith & Kelly Building	10,660	181,441	\$17.02
4	Louisville, KY	Heyburn Building	31,993	361,818	\$11.31
4	Fort Pierce, FL	Fort Pierce Hotel	720	14,061	\$19.53
4	Tampa, FL	Kress Building	23,931	393,158	\$16.43
5	Dayton, OH	Old Post Office	41,472	1,211,787	\$29.22
5	Chillicothe, OH	Foulke Building	7,988	135,796	\$17.00
5	Janesville, WI	Lappin Hays	1,047	10,565	\$10.09
6	Waterloo, IA	Central Chicago Building	2,486	31,353	\$12.61
6	Cedar Rapids, IA	Hach Building	25,696	309,084	\$12.03
6	Topeka, KS	632 SW Van Buren	10,930	153,779	\$14.07
6	Kansas City, MO	Lucas Place	27,742	291,844	\$10.52
6	Kansas City, MO	Scarritt Building	15,755	163,544	\$10.38
9	San Francisco, CA	SSA	10,761	338,913	\$31.49
10	Seattle, WA	Union Trust Annex	8,671	168,224	\$19.40
10	Fairbanks, AK	Courthouse Square	11,132	198,632	\$17.84
10	Boise, ID	Alaska Center	7,383	97,680	\$13.23
10	Portland, OR	Yeon Building	10,044	unknown	
6	Sioux City, IA	Commerce Building	8,444	unknown	
4	Savannah, GA	American Building	unknown	unknown	
<b>Total (28/26 of 29)</b>			<b>448,096</b>	<b>7,232,318</b>	
<b>Mean</b>			<b>16,003</b>	<b>278,166</b>	<b>\$17.38</b>
<b>Small to Medium Overall Total (37/35 of 39)</b>			<b>567,997</b>	<b>9,220,917</b>	
<b>Small to Medium Overall Historic Building Mean</b>			<b>15,351</b>	<b>263,455</b>	<b>\$17.16</b>
Large Historic Leased Buildings (over 50,000sf)					
3	Philadelphia, PA	Wanamaker Building	414,454	8,510,333	\$20.53
3	Philadelphia, PA	Bourse Building	86,036	1,880,533	\$21.86
3	Philadelphia, PA	Public Ledger Building	123,406	1,837,316	\$14.89
3	Philadelphia, PA	Mellon Independence Cntr	64,486	1,277,575	\$19.81
3	Philadelphia, PA	Middishade Building	82,544	1,644,117	\$19.92
3	Wilkes-Barre, PA	Stegmaier Building	79,033	1,734,696	\$21.95
3	Johnstown, PA	Penn Traffic Building	138,367	2,064,622	\$14.92
3	Reading, PA	Madison Building	56,194	975,418	\$17.36
4	Birmingham, AL	Burger-Phillips Center	93,202	979,264	\$10.51
4	Nashville, TN	Custom House	62,287	1,104,575	\$17.73
10	Tacoma, WA	Union Station	132,984	4,051,568	\$30.47
<b>Total (11 of 11)</b>			<b>1,332,993</b>	<b>26,060,017</b>	
<b>Mean</b>			<b>121,181</b>	<b>2,369,092</b>	<b>\$19.55</b>

## APPENDIX H HISTORIC BUILDING LEASES: MAJOR TENANTS (3 LARGEST LEASEHOLDERS PER BUILDING)

**Note:** N/A indicates data not available from STAR database  
 \* Indicates total leased space per building in BOMA rentable s.f. (some buildings are multi-lease).  
 \*\*Includes common space. Discrepancy between total assigned s.f. and total rentable s.f. per building is due to unavailability of some space assignment data in STAR database.

### Historic building leases using the 10% Price Preference

Region	Location	Building	Building Number	Rentable Sq. Ft.*	Major Tenants	Assigned Sq.Ft.**	Common Area Factor
2	Newark, NJ	10 Park Place	NJ4424	26,111	SSA	22,400	1.149
5	Chicago, IL	The Rookery	IL2275	18,999	JD ANTITRUST DIV	18,590	1.145
8	Billings, MT	Old Chamber Building	MT0002	4,400	ID OFF IG	700	1.0
-	-	-	-	-	JU US MARSHALS SVC	500	
8	Butte, MT	Finlen Complex	MT5250	15,534	USA MIL ENLIST PROC	15,410	1.15
8	Butte, MT	F & W Grand	N/A	3,566	N/A	-	
8	Missoula, MT	FBI	N/A	1,556	FBI	-	
8	Rapid City, SD	Republican Block Building	SD1280	4,211	ID BUR INDIAN AFF	1,700	1.0
-	-	-	-	-	HUD DEPT	1,100	
-	-	-	-	-	SSA	800	
8	Rapid City, SD	Penney Haines Building	SD1287	9,042	SSA	9,070	1.08
8	Sioux Falls, SD	Shriver Square	SD1308	36,482	JD US ATTN	12,650	1.15
-	-	-	-	-	JD US TRUST	4,600	
-	-	-	-	-	JD DRUG ENF	3,450	
8	Sioux Falls, SD	Carpenter Hotel	N/A	N/A			
<b>Total (9 of 10)</b>				119,901		90,970	

### Historic building leases not using the 10% Price Preference

3	Camden, NJ	Hudson Square Building	NJ4485	18,562	SSA	17,825	1.15
3	Philadelphia, PA	Wanamaker Building	PA0549	414,454	GSA	306,900	1.166
-	-	-	-	-	COE	97,440	
3	Philadelphia, PA	Bourse Building	PA0615	86,036	USN SECTY NAVY	62,270	1.112
-	-	-	-	-	EEOC	30,020	
3	Philadelphia, PA	Public Ledger Building	PA0653	123,406	HHS PSC	77,950	1.138
-	-	-	-	-	HHS HCFA	31,300	
-	-	-	-	-	CD CENT	6,830	
-	-	-	-	-	JD BUR PRISONS	6,260	
3	Philadelphia, PA	Curtis Center	PA0493	42,451	TD BUR AL TOB FI ARMS	16,170	1.155
-	-	-	-	-	JD US TRUSTEES	10,510	
-	-	-	-	-	CE EDA	8,660	
3	Philadelphia, PA	Mellon Independence Center	PA0559	64,486	TD IRS NORTHEAST	37,010	1.194
-	-	-	-	-	USDA FSIS	13,730	
-	-	-	-	-	JD OFFICE OF IG	7,520	
3	Philadelphia, PA	Cast Iron Building	PA0628	5,221	JD BUR PRISONS	4,110	1.111
3	Philadelphia, PA	Sovereign Building	PA0469	3,507	JD OFF US ATTNYS	3,570	1.15
3	Philadelphia, PA	Middishade Building	N/A	82,544	INS	N/A	
3	Wilkes-Barre, PA	Stegmaier Building	PA0627	79,033	SSA	35,220	1.136
-	-	-	-	-	LD	18,180	
-	-	-	-	-	ID SUR MIN REG ENF	9,088	
3	Johnstown, PA	Penn Traffic Building	PA0358	138,367	COURTS	17,920	1.149

					US MARSHAL	1,600	
3	Scranton, PA	Oppenheim Building	PA0596	27,220	CD CEN	9,050	1.006
-	-	-	-	-	TD IRS NORTHEAST	8,850	
-	-	-	-	-	SSA	8,750	
3	Reading, PA	Madison Building	PA0463	56,194	COURTS	32,775	1.15
3	Roanoke, VA	Stone Print Building	VA0576	34,222	SSA	34,040	1.15
3	Richmond, VA	Schockoe Center	VA0587	9,925	TD IRS SOUTHEAST	7,590	1.15
-	-	-	-	-	JD US TRUSTEES	2,300	
3	Clarksburg, WV	Edel Building (Elden?)	WV0190	4,393	COURTS	3,910	1.15
-	-	-	-	-	JD US MARSHALS SVC	290	
3	Huntington, WV	River Tower	WV0177	18,900	TD IRS SOUTHEAST	4,260	1.15
3	Wheeling, WV	Horne Building	WV0193	26,840	JD OFF US ATTNYS	26,110	1.15
-	-	-	-	-	JD FBI	690	
4	Birmingham, AL	Burger-Phillips Center	AL2026	93,202	EEOC	23,980	1.09
-	-	-	-	-	SSA	23,440	
-	-	-	-	-	TD BUR AL TOB FI ARMS	10,900	
4	Nashville, TN	Custom House	TN2468	62,287	COURTS	46,600	1.131
-	-	-	-	-	CD CEN	7,800	
-	-	-	-	-	JD US TRUSTEES	6,550	
4	Savannah, GA	American Building	GA2685	N/A	N/A	-	
4	Savannah, GA	Smith & Kelly Building	GA2069	10,660	N/A	-	
4	Louisville, KY	Heyburn Building	KY1683	31,993	TD IRS SOUTHEAST	17,300	1.0
-	-	-	-	-	SSA	14,590	
4	Fort Pierce, FL	Fort Pierce Hotel	FL2265	720	JUD PUB DEF SVC	720	1.0
4	Tampa, FL	Kress Building	FL2260	23,931	TD CUSTOMS SVC	23,973	1.115
5	Dayton, OH	Old Post Office	OH2147	41,472	JUD US BANK CT	41,470	1.152
5	Chillicothe, OH	Foulke Building	OH2225	7,988	CD CEN	7,987	1.011
5	Janesville, WI	Lappin Hays	WI1653	1,047	TD IRS MIDSTATES	1040	1.15
6	Waterloo, IA	Central Chicago Building	IA1407	2,486	JD FBI	1150	1.149
-	-	-	-	-	JD OFF US ATTNYS	920	
-	-	-	-	-	COURTS	460	
6	Cedar Rapids, IA	Hach Building	IA1438	25,696	JD OFF US ATTNYS	21,850	1.15
-	-	-	-	-	INS	3,220	
6	Topeka, KS	632 SW Van Buren	KS1508	10,930	USDA NASS	10,925	1.15
6	Kansas City, MO	Lucas Place	MO1778	27,742	SBA	21,510	1.15
-	-	-	-	-	HHS DM(16)	6,210	
6	Kansas City, MO	Scarritt Building	MO1798	15,755	JUD PUB DEF SRVC	6,700	1.15
9	San Francisco, CA	SSA	CA6941	10,761	SSA	10,620	1.062
10	Seattle, WA	Union Trust Annex	WA7449	8,671	ID NATL PARK SRV	8,625	1.15
10	Tacoma, WA	Union Station	WA7587	132,984	COURTS	113,850	1.15
10	Fairbanks, AK	Courthouse Square	AK3244	11,132	ID NATL PARK SRV	7,020	1.15
-	-	-	-	-	JUD US CRT APP	4,140	
10	Boise, ID	Alaska Center	ID4297	7,383	SBA	6,400	1.15
10	Portland, OR	Yeon Building	OR6371	10,044	N/A	-	
6	Sioux City, IA	Commerce Building	IA1455	8,444	CD CEN	8,450	1.112
4	Savannah, GA	American Building		N/A		N/A	
<b>Total (39/37 of 40)</b>				1,781,089			
<b>Mean</b>							1.12
<b>Overall Historic Building Total (48/46 of 50 known)</b>				1,900,990			

## APPENDIX I OBSTACLES TO LEASING HISTORIC BUILDINGS

Regions that remarked on the following obstacles are denoted by ♦

Obstacles	Region											Comments
	1	2	3	4	5	6	7	8	9	10	11	
Regulatory												
Firesafety			♦	♦	♦	♦		♦				Firesafety upgrades often necessary to bring historic buildings up to code.
Building codes			♦									
Seismic								♦				
ADA												
Restrooms			♦	♦								Extensive restroom, lobby & elevator alterations necessary to meet accessibility requirements.
Elevators			♦	♦	♦							
Drinking Fountains				♦								
Floorplate												
Square footage			♦		♦							Floorplates of historic buildings make using systems furniture difficult.
Column spacing			♦						♦			
Configuration			♦						♦			
Systems												
Cabling			♦	♦								Electrical and telephone runs are difficult vertically and horizontally
Electrical			♦					♦	♦			
Amenities												
Parking												
Cafeteria												
Location									♦			
Class rating									♦			
Hazardous Materials												
Asbestos									♦			
Lead												

## APPENDIX J RESEARCH NOTES BY REGION

### REGION 1: NO HISTORIC BUILDING LEASES

**Entire Region** (Janine Kurth, RHPO, Matt Bailey and Marjorie Samra)

*Comments:* “Miscellaneous Building Information” field in STAR (where historic data are recorded) usually left blank and therefore defaults to “None.” During conversion from PBS/IS to STAR, everything defaulted to “None.” Leasing specialists were asked to review their leases to verify there were no historic building leases and were prompted to fill in this field in the future (Mary Lyons).

### REGION 2: ONE LEASE

**Northern NJ** (Carol Diaz)

**Lease no. LNJ22648**

**10 Park Place**

**Newark, NJ 07102**

*Awarded in 1992*

*Ten percent preference:* Was used

*Obstacles:* There were no barriers to leasing this building.

**Brooklyn, Queens & Long Island** (Walter Moldovan, PARS Branch Chief)

*Comments:* No historic building leases for the past nine years.

**Others** (Paula Pickett, Gloria Stevens, David Wells, Frank Santella, Brian Tait)

### REGION 3: EIGHTEEN LEASES

**Philadelphia** (Carrie Vineberg, Jennifer Bischoff, Maryann Dobbins, RHPO and Bob Munson)

**Wanamaker Building**

**Bourse Building**

**Public Ledger Building**

**Curtis Center**

**Mellon Independence Center**

**Cast Iron Building**

**Sovereign Building**

**Middishade Building**

*Number of leases:* Eight

*Ten percent preference:* Not used

*Comments:* The ten percent preference is not used in Philadelphia because most buildings offered are historic. Despite its ineffectiveness within the city of Philadelphia, Jennifer Bischoff approves of the program.

*Obstacles:* (ranked in order of importance):

1. *Floor plate*

“strange shape”

2. *Other physical characteristics*

“columns, bearing walls, FCUs, uneven flooring”

3. *Insufficient square footage*

related to the floor plate and column placement issues

4. *Regulatory issues*

“Do not always meet ADA; alterations difficult when approvals not given”

5. *Other*

“Electrical/telephone runs can be difficult both vertically and horizontally”

## **Pennsylvania**

### **Stegmaier Brewery**

#### **Wilkes-Barre, PA**

*10 percent preference:* Not used

*Comments:* Build to suit deal under Congressional directive

**Chesapeake and Allegheny** (Celeste Martins, District Director, Fran Riccio, Frank McCafferty, Laura Stagner, Ian Grey, Lizabeth Bauman and Jean Focinito)

### **Hudson Square Building, Camden, NJ**

### **Penn Traffic Building, Johnstown, PA**

### **Oppenheim Building, Scranton, PA**

### **Madison Building, Reading, PA**

### **Stone Print Building, Roanoke, VA**

### **Schockoe Center, Richmond, VA**

### **Edel Building, Clarksburg, WV**

### **River Tower, Huntington, WV**

### **Horne Building, Wheeling, WV**

*Number of leased buildings:* Nine

*Ten percent preference:* Not used

*Comments:* 334,623 sq. ft. leased space in historic buildings.

*Obstacles:* Extensive restroom, lobby, elevator, and firesafety upgrades needed to bring historic buildings up to code and make them handicapped accessible. GSA provides owners the opportunity to make changes, with GSA involvement

*Comments:* Lease in the historic Palace Center, Clarksburg, WV was terminated.

## **REGION 4: SEVEN (PRIVATELY-OWNED) HISTORIC BUILDING LEASES**

## **Birmingham** (Betty Strickland)

### **Burger-Phillips Centre**

**1910 3<sup>rd</sup> Avenue North**

## **Birmingham, AL 35203**

*Ten percent preference:* Not used

*Comments:* GSA worked with the City of Birmingham and Operation New Birmingham in making the deteriorated Central Business District around the Burger-Phillips Centre a successful Business Improvement District. Security, sanitation, and street lighting were all improved and GSA was able to locate the National Labor Relations Board here.

This building was the successful offeror based on source selection criteria. There was little competition, so the ten percent preference was not necessary. Betty Strickland would like to see the price preference eliminated “as is makes very little difference in most cases.”

## **Nashville** (Melanie Lockwood, Team Leader, TN/KY Team)

### **Custom House**

**701 Broadway**

**Nashville, TN 37203**

*Ten percent preference:* Not used

*Comments:* The GSA disposed of this National Register building many years ago, but recently leased space in it for the U.S. Bankruptcy Court. The City of Nashville was the lowest offeror, so the ten percent preference was not necessary.

## **Savannah** (Bill Norman)

### **American Building**

**7 Drayton Street**

**Savannah, GA 31401**

*Ten percent Preference:* Not used

*Comments:* Leased for Army CoE. No building modifications needed.

### **Smith & Kelly Building**

**300 Drayton Street**

**Savannah, GA 31401**

*Ten percent preference:* Not used

*Comments:* None of the offers for the first solicitation met accessibility or fire safety standards for this 10 year lease for the ATF and DEA. A second solicitation requiring the owner to make all necessary improvements received one offer. The owner installed a second stairwell for egress and a fire alarm system, and modified elevator cabs, bathrooms, and drinking fountains to be handicapped accessible.

The agencies altered their space requirements, splitting their operations onto two floors instead of one, as originally requested.

*Obstacles:* Because the owner was flexible with the building and because the clients were flexible with their space requirements, this historic building was awarded the lease.

## **Louisville**

### **Heyburn Building**

**332 W. Broadway**

**Louisville, KY 40202**



*Ten percent preference:* Not used

*Comments:* The ten percent preference was not necessary because this building came in as the lowest offer. Tenants include the Department of Labor, Department of Agriculture, IRS, and SSA.

*Obstacles:* The owner paid for all alterations and worked with the agencies to renovate the space.

**Central & South Florida** (Susan Simmons, Team Leader)

**Fort Pierce Hotel**

**Fort Pierce, FL**

*Ten percent preference:* Not used

*Comments:* This is a small lease of a few hundred feet for Pub. Def. It was the only space available, so the price preference did not apply. There are very few historic building leases in Florida, so the ten percent preference does not have much effect.

**Kress Building**

**1624 7<sup>th</sup> Avenue**

**Tampa, FL 33605**

*Ten percent preference:* Not used

*Comments:* The Kress Building, located in the Ybor Historic District, houses the U.S. Customs Service.

*Obstacles:* The owner worked to preserve original building features while meeting the needs of the tenant. Cable trays were used without dropping the ceilings, leaving the original 17 foot high ceilings exposed. A wrought iron fence encloses the parking area, rather than the usual chain link.

**Chattanooga** (Charlene Gribble, Realty Specialist, TN/KY Team)

**Lease no. TN2050ZZ**

**Old Post Office**

**31 E. 11<sup>th</sup> Street**

**Chattanooga, TN**

*Ten percent preference:* Not used

*Comments:* The Property is owned by the Tennessee Valley Authority (not privately-owned) and therefore was not included in the study data

**Others** (Audrey Entorf, RHPO, Helen Coleman, Hillary Montgomery, Rosemary Phillips and Kristie Baynard)

<b>REGION 5: FOUR LEASES</b>
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**Chicago** (Beth Lubin)

**The Rookery**

**209 S. LaSalle Street**

**Chicago, IL 60604**

*Ten percent preference:* Was used.

*Comments:* The ten percent price preference made a difference in awarding this lease. A waiver was granted for the Rookery regarding handicapped accessibility.

Beth Lubin thinks it may be easier to lease in smaller cities because the probability of finding buildings under 6 stories is greater.

Although the ten percent price preference is good because it can offset costs associated with upgrading historic buildings, it is generally a matter of base building requirements, not finances, which prevent more historic buildings from being leased.

*Obstacles:* Many Chicago buildings never make it to the point where the price preference comes into play. Most historic buildings are small old highrises which do not meet basic regulatory needs (ADA accessibility and lifesafety requirements). Elevator shaft size is a common problem which bars historic buildings from being considered for lease. Agency requirements for more sizeable square footage (larger workforce in Chicago; many agencies have regional offices here) is preclusive as well.

Open stairwells and lack of sprinklering are problematic. Agencies looking for more than 20,000 square feet must stay below 6 stories in buildings without sprinklers. For more than 35,000 square feet, sprinklers must be installed.

**Ohio** (Malinda Johnson)

**Lease no. GS-05B-16597**

**Foulke Building**

**16 (14) Paint Street**

**Chillicothe, OH 45601**

*Ten percent preference:* Not used

*Comments:* This 100 year old building is listed in both the Old Residential and Business Districts in Chillicothe. The ten percent preference was not used since it was the only satisfactory offeror. The GSA lease provided the owner the security needed to obtain funds for renovation.

**Old Post Office**

**120 West 3<sup>rd</sup> Street**

**Dayton, OH 45402**

*Ten percent preference:* Not used

*Comments:* The U.S. Bankruptcy Court has reused a beautiful historic courtroom in this National Historic Landmark building. The project was presented an award from the Associated Builders and Contractors for its contribution to the Old Post Office restoration.

*Obstacles:* Working together, GSA, the Ohio SHPO, and the owner were able to find ways to satisfy fire safety requirements without damaging historic features in order to locate the Bankruptcy Court here.

**Lappin Hays**

**Janesville, WI**

*Ten percent preference:* Not used

**Others** (Regina Nally, RHPO, Jan Haviland, Kim Barnes-Staples and Clair Jones)

<b>REGION 6: SIX LEASES</b>
-----------------------------

**Kansas City, MO** (George Sibert and George Kibler)

**Lucas Place**  
**Scarritt Building**

*Ten percent preference:* Not used

*Comments:* Notice of price preference was included in all regional solicitations.

**Iowa** (Cathy Howard, Merrie Evans)

**Hach Building**  
**411 1<sup>st</sup> Street**  
**Cedar Rapids, IA 52401**

*Awarded in 1996*

*Ten percent preference:* Not used

*Comments:* The U.S. Attorney's Office occupies 19,544 square feet of the Hach Building, which is located in the Central Business Area of Cedar Rapids. The lease commitment of GSA allowed the owners to secure financing for a total retrofit of this 100 year old building. This lease offered a savings of \$200,330 during the lease term over the previous lease, in a more modern facility.

Because the Hach Building was the lowest offer, the ten percent price preference was not necessary.

The building was "completely gutted and the inside rebuilt to meet life safety and ADA issues."

**Commerce Building**  
**Sioux City**

*Ten percent preference:* Not used

**Central Chicago Bldg**  
**501 Sycamore Street**  
**Waterloo, IA 50703**

*Ten percent preference:* Not used

*Comments:* GSA worked closely with the owner to meet systems and accessibility requirements in this building, located in the CBD. GSA extended the lease term to allow the offeror to apply for adequate funding for renovations.

**Others** (Bill Boos, RHPO, Darlene Sowell, Michael Sisk, Larry Pierce, Dave Benedict and Barbara Bodinson)

<b>REGION 7: NO (PRIVATELY-OWNED) HISTORIC BUILDING LEASES</b>
--

**Texas** (Steve Kline, RHPO)

Wichita Falls Post Office  
Waco Post Office

*Ten percent preference:* Not used

*Comments:* Both are owned by the postal service (not privately-owned) which has special lease arrangements with GSA and therefore were not included in the data

<b>REGION 8: EIGHT (PRIVATELY-OWNED) HISTORIC BUILDING LEASES</b>
---

**Montana** (Karen Waddell, Shelley Smith)

**Lease no. LMT13359**

**Old Chamber Building**

**301 N. 27<sup>th</sup> Street**

**Billings, MT 59101**

*Awarded 1996-1998*

*Ten percent preference:* Was used

*Comments:* Space was leased in this historic building for a Court of Appeals Judge who wished to be within walking distance of the Courts.

**Lease no: GS-08P-13385**

**Finlen Complex**

**100 E. Broadway**

**Butte, Montana 59701**

*Ten percent preference:* Was used

**F & W Grand**

**Butte, MT**

*Ten percent preference:* Was used

**FBI**

**Missoula, MT**

*Ten percent preference:* Was used

**South Dakota**

**Republican Block Building**

**6251/2 Main Street**

**Rapid City, SD 57709**

**Penney Haines Building (in a historic district)**

**605 Main Street**

**Rapid City, SD 57701**

**Shriver Square**

**230 S. Phillips**

**Sioux Falls, SD**

**Carpenter Hotel**

**217 S. Phillips**

**Sioux Falls, SD**

*Comments:* No one uses “date of construction” and “historic status” fields in STAR. The agency or owner does all coordination

**Post Office**

**Glasgow, MT**

**Post Office**

**Billings, MT**

*Ten percent preference:* Not used

*Comments:* Both are owned by the postal service (not privately-owned) which has special lease arrangements with GSA and therefore were not included in the data

**Others** (Steve Burke, RHPO, Tanisha Harrison, Karma Phillips and Dave Hardesty)

## REGION 9: ONE LEASE

**San Francisco & Los Angeles** (Art Layne, RHPO, Susan Luce and Tom Andrews)

**SSA**

**San Francisco**

*Ten percent preference:* Not used

*Comments:* Only offer. Historic building leases are very uncommon in San Francisco or LA as are any offers of historic buildings. The Regional Historic Preservation Officer was unaware of the ten percent price preference program.

**Phoenix** (Ellen Vincent)

*Ten percent preference:* Was used for a lease which has been terminated

*Comments:* Historic buildings offered less than 5% of the time.

This historic building lease was cancelled because lessor was problematic. It was for 70,000 square feet (out of 1.2. million sf of leased space). Space was less than Class A rating, which displeased tenant agencies. Substandard finishes.

Price preference is not seen as viable in Phoenix.

*Obstacles* (ranked in order of importance):

1. *Floor plate*
2. *Limited amenities*
3. *Cultural perception*

Other obstacles mentioned: Electrical alterations, asbestos concerns, lessors tend to be difficult to work with, IRS column spacing requirements preclude historic buildings. Floorplates of historic buildings make using systems furniture difficult.

## REGION 10: FIVE LEASES

**Entire region** (Fred Waters, Manager, Contract Management and Linda Bee, RHPO, Susan Sorg and Gloria McDougale)

**Yeon Building, Portland, OR**

**Union Trust Annex, Seattle, WA**

**Union Station, Tacoma, WA**

**Courthouse Square, Fairbanks, AK**

**Alaska Center, Boise, ID**

*Number of leases:* Five

*Ten percent preference:* Not used

*Comments:* 170,214 square feet out of 4,889,069 total

*Obstacles:* The Alaska contracting officer obtained SHPO approval to perform alterations in order to award a lease.

## **NCR: NO HISTORIC BUILDING LEASES**

### ENTIRE REGION (**ANDREA MONES, RHPO AND ROB ROOP**)

No leases in historic buildings while she's been RHPO (20 years). Headquarters agencies need huge blocks of space. No historic buildings large enough.